



Use, abuse or contribute! : A framework for classifying how companies engage with Country Image

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Review

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1. Introduction

The branding of products and organisations has long been recognised as central in marketing (Hsieh *et al.*, 2004). In international marketing research, a large body of literature has emerged over the last three decades exploring the influence a country image (CI) has on consumers’ perceptions of products and services stemming from this country and the subsequent impact on purchasing decisions (e.g. Ahmed *et al.*, 2002, 2004; Demirbag *et al.*, 2010; Ettenson *et al.*, 1988; Fetscherin, 2010; Jaffe and Nebenzahl, 2001; Lampert and Jaffe, 1998; Li and Wyer, 1994; Papadopoulos and Heslop, 1993, 2002; Phau and Chao, 2008; Shimp *et al.*, 1993).

Whilst a lack of clarity concerning the CI construct exists (Brijs *et al.*, 2011), there is growing consensus that the CI can be broadly thought of as the overall impression consumers have of a country. The CI is multidimensional, complex, can change over time, and is influenced by a wide range of factors, such as the country’s political and social climate, as well as its economic development (e.g. Lee and Ganesh, 1999; Martin and Eroglu, 1993; Papadopoulos *et al.*, 1990; Shimp *et al.*, 1993). CI development and reinforcement take place at various levels and can be driven by policy makers, tourist boards, communities, and other stakeholder groups (Johnston, 2008).

The majority of studies examining the link between CI and products look at the phenomenon from a consumer’s perspective (e.g. Papadopoulos and Heslop, 1993; Shimp and Sharma, 1987; Yasin *et al.*, 2007). Given that a successful CI can directly impact product perceptions and evaluations, there is an argument to be made that a country’s firms can benefit from a positive CI and its contribution to product and organisational success (Papadopoulos *et al.*, 2000; Saran and Gupta, 2012). As such, the CI framework can be

extended from being an extrinsic “made in” cue for consumers, to being part of the value offering of a particular product or service from an organisational perspective. Recently, the notion has evolved that the CI may also be impacted by domestic companies (e.g. Anholt, 2003, 2007; Dinnie, 2008) and that these local companies could play an important role in shaping a CI, positively or negatively (Aronczyk, 2008). This is a crucial point, as it shifts the CI debate from the consumer to the organisational perspective (Gotsi *et al.*, 2011).

Our research contributes to the extant literature by focusing on the internal organisational perspective, exploring 1) how companies make *use of* the CI in their own external marketing communications, and 2) to what extent there is an alignment between the CI values and the companies’ values, products or services, i.e. the corporate *contribution to* the CI.

In order to address the two research objectives of this research, an in-depth study with companies from two countries with a strong and successful CI was conducted: New Zealand and Switzerland. The presence of a pre-existing positive CI is essential to this study as it allows the investigation of organisational behaviour in terms of the two research objectives of this study.

2. Theoretical framework

2.1 Country image concept

The strong links between a CI and the products and services offered by organisations based in that country have a strong and direct effect on its economy through export, tourism and other economic factors. A CI therefore has, for example, value in terms of attracting people to its location, but also in encouraging consumers to buy products from that country (Laroche *et al.*, 2005). Prior studies have largely failed to develop a single, well adapted conceptualisation of the term CI. The term image is often referred to as a cognitive structure

that represents a mental picture, whilst CI is defined as “the set of all impressions, ideas and beliefs one has about a particular country” (Martin and Eroglu, 1993, p. 193; Balabanis *et al.*, 2002; Kotler *et al.*, 1997; White, 2012). This is also consistent with the definition of Wang *et al.* (2012) who define CI as the “mental representation of a country and its people including cognitive beliefs... and affective evaluations” (p. 1041). In this way, a CI can be a shorthand or stereotyping process for simplifying judgement (d’Astous and Boujbel, 2007; Chattalas *et al.*, 2008; Roth and Diamantopoulos, 2009).

Consumers prefer countries over others on the basis of the CI perceptions they hold. Whilst some consumers favour their home country for reasons of patriotism or ethnocentrism (Abedniya and Zaeim, 2011; Balabanis and Diamantopoulos, 2004; Evanschitzky *et al.*, 2008; Michaelis *et al.*, 2008; Pecotich and Rosenthal, 2001; Shimp and Sharma, 1987), other factors might create positive perceptions, such as technological advance, or negative perceptions, such as high levels of corruption (Akotia *et al.*, 2011). These attitudes towards different countries, combined with knowledge about the economic, political, social and cultural environment of a country have a significant impact on a consumer’s evaluation of both the country and its products (Godey *et al.*, 2012; Wang and Lamb, 1983). Overall, a positive CI can “act as a catalyst for sustainable and competitive parity” (Favre 2008, p. 242, in Fetscherin and Marmier, 2010). CI has been proposed to consist of 3 components: cognitive, affective and conative (Laroche *et al.*, 2005). These can affect people’s views of the country and the product in different ways which can include, but are not limited to, imagery, symbolism, feelings or sensory experiences as well as inner norms and values and rational processing (Gotsi *et al.*, 2011).

2.2 Country image development and use

A country brand is similar to a company brand in that it is an image which is created and communicated to external audiences in order to develop a particular image (Dinnie, 2008; Fan, 2006). As such, the term country branding refers to strategic marketing initiatives that promote and develop a CI (Anholt, 2003; Pecotich and Ward, 2007). Whilst company brands are owned and controlled by companies, CI development is more complex since there are a multitude of stakeholders who contribute to it (Kotler *et al.*, 1997). CIs are partially constructed from realities, as well as experiences of tourists, visitors, images portrayed by books, films and the internet and major events (Dinnie, 2008; Fetscherin, 2010; Papadopoulos and Heslop, 2002), and reflect a country's economic, political and educational system (Jaffe and Nebenzahl, 2001).

Branding a country can be seen as exciting and controversial, particularly as multiple stakeholders are involved in and affected by the branding process (Aronczyk, 2008; Dinnie, 2008). Fan (2006) considers country branding to include a complex interplay between the promotional messages from a country, the complexity of capturing its national identity, and the mechanism of transmitting these messages. He acknowledges that active country branding is an important tool in improving CIs.

It is likely that organisations benefit if their country has a positive image, as this may positively impact on consumer perceptions of their products or services, and lead to increased consumer preference (Lim *et al.*, 2010; Maheswaran and Yi Chen, 2006; Shimp *et al.*, 1993; Vrontis *et al.*, 2006). Nonetheless, there has to be some degree of congruence between the CI and the product in question in that the underlying values of the CI are relevant for the marketing of this product.

Several streams of literature exist on related topics, such as the country-of-origin (COO) and country-product image and / or product-country image (CPI/ PCI) effect (Papadopoulos and Heslop, 2002; Roth and Diamantopoulos, 2009). Whilst the relationships between these constructs and their definition is debated (Brijs *et al.*, 2011), these closely related terms largely refer to consumer perceptions of a country and its inhabitants, and / or its products or some combination of country and product image. Evidence suggests that the CI can significantly impact consumers' perceptions of products, product evaluations and consequent purchase decisions (e.g. Ahmed *et al.*, 2002; Koschate-Fischer *et al.*, 2012; Wang and Lamb, 1983; Diamantopoulos *et al.*, 2011; Hsieh *et al.*, 2004; Javalgi *et al.*, 2001).

COO information is used by consumers to reduce risk, costs and effort, and directly influences buying intention (Brijs *et al.*, 2011; Godey *et al.*, 2012). COO cues often include cognitive, affective and conative components which allow consumers to make judgements about products and inform purchasing decisions (Brijs *et al.*, 2011). This can be especially important in situations where buyers have little information either about the product or about the country. In such cases COO cues act as a 'halo-effect' or prejudice, through which consumers make uniformed judgements about the quality of a product based on patchy and indirect information about the COO (Papadopoulos and Heslop, 1993). Halo effects can lead to beliefs about a country and its products, for example, that technologically advanced countries are believed to develop well-performing products (Demirbag *et al.*, 2010). Developed countries may have a reputation for high quality products, whereas newly developing countries for products of lower quality (Michaelis *et al.*, 2008). There may also be positive halo effects between the place in which a product is bought and the COO in terms of similarity of economic development, culture or physical distance between the two countries (Han, 1989).

Where consumers do have experience of products from certain countries, a summary effect exists which represents associations based on accumulated experience with products from a country over time (Lee and Ganesh, 1999). However, in situations where little is known about a country or a product, the COO-effect becomes more relevant: the COO-effect may be inversely proportional to the information available (Vrontis *et al.*, 2006). As a result, consumers may value products less from a country they have no information about than products from a developing nation (Lim *et al.*, 2010).

3. Study background and context

The presence of a strong, positive CI is an essential condition for companies' potential use of it. There are various scenarios that could result from a positive CI. For example, on the extreme positive side of the spectrum, companies may fully embrace the values of the CI in their branding strategies as well as their own values, behaviours, and products or services. In such cases, organisations potentially contribute positively to the CI development. One prominent example is IKEA (Gotsi *et al.*, 2011), as the organisation has been actively working with country branding officials to reinforce Sweden's reputation for being a social, family-oriented and environmentally friendly nation through their own values and behaviours. This is expressed, for example, through their product design, supply chain and distribution management. At the same time, the organisation is using the positive CI of Sweden for their advantage in their external marketing communications initiatives.

A different possibility could be that companies decide to neglect a CI, even if it is currently positive. Potential reasons for this may be manifold, such as a mismatch in that the CI is irrelevant for an organisation's product category or target market, or an organisation's worry that the CI may deteriorate in the near future. In this case, organisations do neither contribute to nor exploit the existing CI.

On the extreme negative side of the spectrum, companies may opt for using the CI in their marketing messages, without incorporating the CI into their own values, behaviours and products or services. Such organisations may exploit the CI, without contributing positively to it. Indeed, whilst simultaneously benefitting from the CI image, these companies might in fact damage it in the long term. Whilst it has been long established that crises and scandals can severely damage a corporation’s reputation (DeMott, 2012), recent high profile cases such as the UBS scandal suggest that corporate actions may have a negative effect on the CI in the longer term (Baker and Giles, 2009).

This feedback loop suggests that the values and behaviours of organisations, especially those with clear links to an already established CI, will likely have an impact on the CI in the future (Anholt, 2003; Brijs *et al.*, 2011; Gotsi *et al.*, 2011). Our research contributes to the extant literature by focusing on this issue from the internal perspective of the organisation. In particular, we examine how companies act as intermediaries to either use, sustain or abuse and detract from an established CI. To do so, we focus on 1) how companies make *use of* the CI, and 2) to what extent there is an alignment between the CI values and company actions or their *contribution to* the CI.

In order to investigate this phenomenon in more detail, this study examines data from companies in New Zealand and Switzerland. These two countries have both invested heavily into the development of their CI over a considerable period of time and, aside from Canada, have been the only two countries that have been consistently ranked in the Top 5 countries of the Country Brand Index (CBI, FutureBrand, 2010 – 2013). In addition, New Zealand and Switzerland are relatively close in terms of size, economic development, degree of human autonomy, social values and quality of life (Aerni, 2009; CBI, FutureBrand, 2011-2012). As such, New Zealand and Switzerland can be seen as *critical* cases for this study (Yin, 2003). While New Zealand has developed an environmentally friendly, *clean and green* image,

Switzerland has established an image of superior and quality craftsmanship (Brijs *et al.*, 2011; Godey *et al.*, 2012; Shimp *et al.*, 1993; White, 2012).

In the case of New Zealand, the rather loose concept of *clean and green* has been well established and dates as far back as the early days of Victorian settlement (Brendon, 2008). Whilst not clear if this refers to the location, geography or environment of the country, it has been reinforced actively through marketing messages of the tourism board and passively through its geographic isolation and natural beauty as seen in popular films. Whilst some concerns have been raised recently about image incongruent agricultural and land-use policies (The Economist, 2010), the general *clean and green* is a powerful country image which has been still well preserved (Cumming, 2010). Recent changes to the country branding have included a *100% Pure* destination brand rather than an explicit use of the words clean and green, yet the imagery associated with the promotion is largely concerned with natural beauty and agriculture. This *clean and green* image has been recognised as an important asset by the New Zealand government (New Zealand Ministry for the Environment, 2001).

Switzerland has an established reputation for excellence in craftsmanship, high quality, high price, natural beauty, and being economically efficient and vibrant. The Swiss National Tourist Board promotes the country with pictures of beautiful unspoilt mountain scenery, lakes, and iconic images such as the St Bernard dog (Swiss National Tourist Board). The Swiss government is particularly concerned with reinforcing this reputation and has established an organisation governed by the Federal Department of Foreign Affairs to oversee the communication of the CI. It monitors the view of Switzerland overseas, and has determined that the key brand values should be *trustworthy*, *premium quality* and *authentic* with two secondary values *secure future*, and *self-determination*.

4. Methodology

This study uses a two stage data collection process to allow both source and method triangulation: data obtained through secondary sources (company websites) was triangulated with qualitative data collected through interviews with the companies’ owners or senior managers.

A sample frame of all 297 Swiss small to medium sized enterprises (under 250 employees) from the Cantons Vaud and Geneva was established along with a sample frame of 220 New Zealand SMEs. This sample frame was developed on the basis of publically available lists of SMEs. From this sample frame, a purposeful sample of 30 companies was chosen from each country: companies were selected on two predefined criteria (Patton, 1990). The first was the presence of a website in English (to ensure that companies in Switzerland were targeting overseas customers on their websites) and the second was the congruency between the CI values of the country and the product offering of the companies. Companies were selected from a wide range of industries, but each with some potential for making use of the CI values in their marketing communications. Table I provides a description of the companies that were part of the investigation.

Insert Table I about here

In order to address the first research objective of this study the content of company websites was analysed. Following the method of Pitt *et al.* (2007) the organisations’ websites were downloaded to four levels down and then assessed in two steps to identify the use of words related to the image values of each country. In addition, a structured analysis was undertaken to assess the extent to which the terms, images and colours identified in the first step were used.

In order to address the second research objective, owners or senior members of these companies were contacted by telephone in order to conduct semi-structured interviews. Yin's (2003) criteria for collecting interview data were followed. All interviews covered the following topics: 1) the extent to which the company's brand has benefited from the image of New Zealand/Switzerland, 2) the extent to which the company is concerned with presenting a New Zealand/Swiss image to the global market place, 3) how the company can contribute positively to the CI. Two companies in each country were not available for interviews, and so the final sample size for each country was 28. All interview data were coded and content analysed by two researchers in order to enhance the reliability and validity of the findings (Armstrong *et al.*, 1997). The analysis was structured along the four steps identified by Krippendorff (1980). According to Yin (2003), there are four main criteria on which the quality of a case study can be judged: construct validity, internal validity, external validity and reliability. Table II (adopted from Yin, 2003) summarises how these criteria were addressed in this study.

Insert Table II about here

5. Results

5.1 Website analysis

The preliminary analysis of the websites revealed that the majority of the New Zealand companies used some degree of association with the *clean and green* image of the country. This ranged from the use of the words *pure*, *natural*, and *green* to a significant use of pictures and images of green forests, leaves, and the natural environment. New Zealand's flag is red, white and blue, and these colours were not used at all in terms of associating the country through its national colours to the company. Instead, the overwhelming use of colour and

imagery was of nature and natural colours such as stone, green and brown. However, there was surprisingly little imagery of organic or environmentally friendly labels, or facts supporting environmentally friendly issues.

Contrastingly, the colour of the national Swiss flag, red, could be found very commonly on many of the Swiss company websites, either in small areas, or more overtly. The majority of Swiss websites used terms related to the three key CI values *trustworthy*, *quality* and *authentic* frequently. There was also a stronger emphasis on heritage and history recurring on many websites. People, company buildings, and equipment were common features on the Swiss websites, but images of Switzerland itself were few.

On the basis of these preliminary results, a structured website analysis was carried out next. This included two parts: 1) A word count of the CI value terms as well as related terms, 2) an assessment of the organisations’ use of CI related colours and imagery. Table III provides a structured overview of the results for the sample as a whole. The entire word content of the websites was mirrored to a local machine using an open source programme (WGet) and then recursively searched for each word using another open source programme (Grep) after excluding any binary files. The matches were then checked and summarised using a python script.

Insert Table III about here

The findings from the website analysis form the basis of an understanding to what extent existing country images are used in external online marketing communication initiatives by the SMEs investigated in New Zealand and Switzerland. Summarising the word use of all exact image values and their related terms, as well as the use of colours (natural colours for New Zealand and red for Switzerland) and consistent imagery (landscapes and

other natural imagery for New Zealand and history and physical evidence of trustworthiness, quality and authenticity for Switzerland), the companies under study can be positioned in a chart illustrating the extent of CI usage. Figures 1 and 2 depict these findings. The position on the y-axis relates to the number of words used on a company's website with regards to the exact CI values as well as their related terms. In order to establish the position on the x-axis, three researchers coded independently on a 1-5 Likert-type scale to what extent the colours and imagery were used on each website. The scores of each individual researcher for the use of colour and the use of the respective four images (mountains, landscapes, fern, and kiwi for New Zealand; historic images, buildings/equipment, owners/employees and landscapes for Switzerland) were summated, i.e. the maximum score one company could achieve was 25. This resulted in a very high level of inter-rater agreement, as indicated by the high intra-class correlations ($ICC=.92$ for the New Zealand ratings; $ICC=.88$ for the Switzerland ratings) (Shrout and Fleiss, 1979), providing additional confidence in the coding.

Insert Figure 1 about here

Insert Figure 2 about here

Interestingly, a slightly different pattern between the two countries can be observed. While in both cases most companies make use of their country's image, the mechanism through which this occurs varies. In the case of New Zealand the extent to which colour and images were used was overall lower than could be observed for the Swiss companies. However, the use of words related to the CI values was more prominent on the New Zealand than on the Swiss websites.

5.2 Interview findings

In order to address the second research objective the interview findings were triangulated with the results of the website analysis. This helped to identify the motivations behind the adoption of the CI into the companies’ external online communication initiatives. In essence, the data suggest that there are two main categories of organisations that are adopting their country’s image in their own communications. These can be described as follows:

Enthusiasts. These companies place a strong emphasis on the use of the CI values in their communications strategy, and also incorporate these values into their own values and behaviours. This impacts the way they organise and manage their entire business which, depending on the industry, includes the choice of suppliers, manufacturing processes, hiring and training of employees and distribution system. Throughout their organisational initiatives they try to embrace the CI values and act as responsible brand ambassadors for their country. Whilst asked about the responsibility of companies to contribute to this image the results were very strongly in favour of contributing to and not only exploiting the image:

“I am currently planting wetlands on the Canterbury Plains with native plants; it is in the best interests of my business to promote New Zealand as best I can to the world as 100% pure at trade shows and in marketing campaigns.”(NZ1)

“Each company, when abroad or when it advertises itself outside [of Switzerland] must be able to show this image, and not go against it. It is true that we, as a company, we see that we also show the image of Switzerland when we go outside. So we must also meet the expectations of ‘what people expect of Switzerland’.”(CH28)

As such, these companies feel actively involved in contributing to their country's positive image and its further development. Overall, companies in this category see the use and creation of a CI as interdependent entities. The give-and-take scenario is regarded as essential for their own future business success, as well as the prosperous future of their country.

Free Riders. In contrast to Enthusiasts, companies belonging to this category are using the CI values in their external communications, but do not incorporate them into their organisational values and behaviour. Instead, they rely on the CI in a complacent manner and rest on its past and present success. They do not perceive it as their responsibility to contribute to the CI and do not think that their actions may have any effect on it. Overall, such organisations act in a rather self-centred manner, always with their best interest in mind. As such, they exploit their countries' image to the fullest without investing efforts into maintaining it. The following two quotes highlight this point:

"We find there's a general perception around the world, that NZ is 'clean and green'; this perception adds credibility to our brand proposition and we don't have to do much about it." (NZ3)

"The 'Swiss made' is a little bit like our trade mark. Our entire brand image, as well as our international growth potential are based on that. On the Swiss quality which is faultless. [...] I think it [image of Switzerland] is an ancestral image, so we don't really need to work on it because it is there, already presented abroad. Hence, in a way, we 'enjoy' this Swiss products' reputation." (CH4)

Therefore, these organisations may pose a threat to the future success of a CI, as they may not actively invest into maintaining the standards that are expected of products originating in their countries. This can potentially have a negative rebound effect not only on the company itself, but the CI as a whole, and therewith on other organisations and brands from that country. The potential damage caused by some companies to this image was mentioned by one respondent:

“There are plenty of big companies which have caused harm to Switzerland, or which acted immorally or dishonestly. That harms Switzerland. But I’m not saying they have a duty, but when a company is active in a country, it’s better not to harm the image of the country, at least. But, I don’t think there is a duty to promote Switzerland’s values, but a duty to remain in the legal and moral frameworks of the country.” (CH8)

In contrast to these two categories of companies, there were also some organisations which made little use of their country’s image in their own communication strategy. This finding is particularly interesting as the countries for this study were chosen on the basis that they have successfully developed a positive CI. Therefore, the decision to make only little use of these images seems counterintuitive. In the main, two categories of organisations were identified that took this decision, but for very different reasons, which will be explained next.

Purists. Companies which live the CI values, but make little use of them in their external communications, fall into this category. These companies feel a strong responsibility towards the CI and support it through their own actions, but do not overly use this CI within their own communications. Thus, whilst they are not exploiting the country’s image for their own purposes, they are likely to contribute to the image of the country positively in the long

run by reinforcing the CI values. The following quote sums up this *purism* towards the CI as follows:

“Just by living it and shining our light - this will eventually sort the hypocrites from the ‘Real Greenies’ we believe. The so called ‘green image’ NZ is portraying is only dollar related and eventually true green and organic orientated potential businesses will catch on to the fact that portraying it and living it are not always the same things. This is about: offering an experience and not just a product; respecting the entire process of creating and using a product, and thanking the people who buy [our product] as they allow us to keep doing what we’re doing.” (NZ10)

Sceptics. Finally, a number of organizations were identified that made little use of their countries’ image in their external communications, neither did they live or believe in the CI values. They neither believe in the benefits of these values for their own external communications, nor do they feel any responsibility towards the maintenance or amelioration of their country’s image through their own actions. In such cases the interview data revealed different underlying reasons: In the case of New Zealand, respondents were sceptical about the trustworthiness of their country’s image. It was felt that the CI values as generally promoted were in fact not, or only insufficiently, supported through governmental policies.

“At this point I do not think that as a group we have the consciousness required to be able to facilitate a process of really becoming what we say we are (or would like to be). This will have to be faced person by person and then business by business. Our government wants to allow GE in this country, and my perception is that it wants to regulate ‘natural products’ to their detriment and the benefit of the pharmaceutical

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industry. It is not ready yet to advocate for a true process of recovering what we are losing a bit more of each day.”(NZ7)

In Switzerland the reason for not making much use of the CI was a very different one and was, in the main, related to the fact that the image was perceived as being too traditional and somewhat “out of date”. Interestingly, there was some frustration about the strength of the existing CI as some companies felt it was difficult, but necessary to change as it no longer represented the modern Swiss economy and society.

“We use the ‘Swiss made’ message because it’s a mark of quality [...] but we don’t think we should contribute to this image; it’s an ancestral / historical message [...] but now we have a new Switzerland; our employees are from many countries [...] In fact we are a new Switzerland.” (CH7)

On the basis of the above outlined triangulated findings from the website analysis and the interviews, a 2*2 matrix is proposed to categorise companies according to the way they use their country’s image in their external communications and their perceptions of how the organisation benefits from this (research objective 1), as well as the extent to which companies align their own values and behaviour to their CI values (research objective 2). Figure 3 illustrates this matrix. The majority of companies across the two countries in our sample lived and used the CI values.

Insert Figure 3 about here

6. Discussion and conclusions

The contribution of our study to the extant literature is threefold. First, we show that for positive, but widely differing CIs there is a range of ways how companies make use of their CI in their external communications. This can include the use of colours and images which represent the country itself, such as the national colours or the flag directly, or colours and pictures related to the CI values. The CI can also be implied by the use of words that are related to the CI values (e.g. fresh, unique, precise, quality or superior). These terms can be used for the descriptions of products or services offered by the companies or more discretely in organisational background information. Whilst in the case of Switzerland the government explicitly provides guidance for Swiss companies on how to use CI values, not all companies embed them in their external communications. This lack of reinforcement could in the long term dilute the overall CI and its impact on consumer perceptions.

Second, this study provides initial evidence that companies can be classified according to the degree to which they embed the CI values in their external online communications (*use of CI*), as well to the adherence to these values (*contribution to CI*). Clearly, if companies believe that the CI is not relevant to the way they conduct business (as could be observed in the case of a few Swiss companies), or companies feel the CI is nothing but a myth that is no longer sustained through policy making (as in some cases in New Zealand), there are larger implications for policy makers, as the CI may become increasingly neglected by companies that could otherwise act as ambassadors. As such, policy makers involved in country branding initiatives need to consider how they can support the development of a sustainable and credible CI through policies in the long run, as well as understand from an organisational perspective which CI values are most relevant to local businesses.

Third, most importantly, the study provides an insight into different opinions of the companies' role in perpetuating the CI. This preliminary investigation into this feedback loop

acknowledges the inter-relationship between the CI, organisational use of the CI image and the embedding of CI values into organisational values and behaviour. As such, the implications for policy makers are that CIs should not only reflect reality, but should also contain values which are easy to incorporate into organisational values and behaviour, which in turn may lead to companies' positive contribution to the CI in the longer term. Indeed, the two CIs of the countries under study have been historically developed in different ways: whilst Switzerland has engaged its citizens in the understanding and use of its CI, New Zealand has fallen back on a stereotypical image used in tourism brochures concerning the country's natural beauty and open landscapes, drawing associations with being *clean and green*. In such cases, where CIs are based on geographical features, beauty or other less sustainable or even mythical images (Cumming, 2010) it is probably easier for companies to piggyback on this image without living or contributing to its values. In contrast, CIs that are based on underlying attitudes and beliefs of a country may be easier to sustain, as companies can use, live or promote its values. However, as in the case of Switzerland, policy makers need to be aware of the potentially changing values that are prominent in their society, as otherwise CIs may become outdated, which in turn negatively impacts on organisational belief in and use of the image. To summarise, considering the above findings, this study provides a first insight into the importance of developing, nurturing and sustaining a CI built on a solid understanding of the country's commonly held and current values that are relevant to local business.

7. Managerial implications

The results of this study strongly suggest that a CI should be built upon solidly founded values already found within a country so that organisations are able to use and *live the brand*. In such cases, the overt, expensive and potentially controversial promotion of CIs is not

required because the country's reputation is continually being reinforced by organisational actions and the products and services offered. However, this study opens up a debate about the ownership and responsibility of CIs: Who is in charge - policy makers, companies, or society at large? How can the development and proliferation of a CI be managed? Can a best practice example be established? For example, is the Swiss model one that works for countries with a stronger multicultural society, or for larger countries with longer and more complex histories?

In the case of New Zealand, the responses show that if CI values are not supported by congruent legislation and government policies, companies are quick at holding policy makers responsible for a deterioration in CI perceptions outside the domestic market. They may also have difficulty aligning their own values and behaviour to that image. In the case of New Zealand, some respondents felt betrayed by government policies which were inconsistent with the *clean and green* image that these companies relied on to help sell their products. The effect of companies *living* the image is important, however, this only seems possible if governmental policies support the image in a sustainable manner. This is mirrored in research by Dinnie (2002) who recommends that aspiring nation brands need to prevent a degeneration into a superficial mixture of outdated stereotypes and rightly asks who has the right to decide on a country's underlying image values. Finding a solution to these problems is important in order for countries to identify image values on which long lasting and successful CIs can be built. Otherwise, the country and companies, products and services originating in the country may lose credibility (Olins, 1999).

8. Limitations and future research

As the two countries chosen for this study have strong, commonly recognised and positive CIs, it would be useful to repeat this study in countries that have a weaker or negative CI. It

would also be important to understand how the relationships between CI, the use of the CI of organisations, the embedding of CI values into organisational behaviour and values, and resulting consumer perceptions and purchasing behaviour affect each other (Maheswaran and Yi Chen, 2006; Shimp *et al.*, 1993). Further research should be carried out to understand how, in the long run, the effect of company actions affects the CI. So far the majority of studies have considered the impact of the CI on organisational success, assuming a unidirectional effect. However, this is only a limited view of this complex phenomenon. As highlighted in this study, it is also worthwhile investigating in more detail how companies may contribute to the CI and to what extent other stakeholders, such as government, support this contribution.

Finally, we developed a categorisation of organisations as adopters or non-adopters of CIs into their own branding strategies and highlighted some of the underlying reasons for their decision. This framework is an initial attempt at investigating the relationship between organisational behaviour and the CI. The framework should be tested in other countries, for example with values that cannot easily be transferred to products or services. Moreover, it would be important to understand to what extent a company's profile (Enthusiast, Free Rider, Purist or Sceptic) has an impact on its actual financial performance.

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Table I. Companies by sector

Country	Industry sector	No. of companies
New Zealand	Food/Wine	7
	IT/Consultancy	6
	Engineering	2
	Clothing	5
	Cosmetics	6
	Tourism related	2
Switzerland	Food/Wine	11
	IT/Consultancy	6
	Engineering	9
	Tourism related	2

Table II. Case study criteria and tactics

Criterion	Tactic used for this case study
Construct validity	Use multiple sources of evidence Literature review; analysis of websites; interviews with key informants. Establish chain of evidence Explicit links between questions asked, data collected and conclusions drawn were established by clearly formulating the research objectives in advance and collecting and analysing the data accordingly.
Internal validity	Do pattern-matching Interview findings were related to findings from website analysis and literature review; the emerging patterns were compared with extant theory. Do explanation-building The observed patterns in the data were compared to existing theory so that new explanations could be reported upon in the results and conclusions. Replication logic: A comparative, critical case analysis was chosen. To gain strong data for developing more powerful explanations the countries were selected according to replication logic. Explanations of variances in results were established.
External validity	Use theory in case studies Analytical generalisation: The entire result set was linked back to existing theory as outlined in the literature review, mainly in form of addressing the research objectives of this study.
Reliability	Use case study protocol To ensure the study could be replicated by other researchers the procedures of how the data was collected and analysed is clearly outlined. Develop case study database The raw data from each source used was stored electronically.

Table III. Overview website analysis: word count

Country	Criterion	Total count of words across all websites	Total number of companies using words, colours or imagery
New Zealand	Exact terms		
	Pure	141	12
	Natural	446	18
	Green	136	13
	Related terms (examples)		
	Pure: fine, clean, fresh, flawless, uncontaminated, unpolluted, unique	156	24
	Natural: environment, environmental, conservation, ecological, ozone, living, recycling	257	17
	Green: grassy, leafy, flourishing, budding, blooming, tender, youthful	96	9
	Word count total New Zealand:	1232	
	Colours (green, blue, natural tones or black / silver ferns)		22
Switzerland	Imagery		
	Mountains		12
	Landscapes		14
	Fern		9
	Kiwi		3
	Exact terms		
	Trustworthy	0	0
	(Premium) quality	112	22
	Authentic	31	9
	(Secure) future	42	10
	Self-determined	13	13
	Related terms (examples)		
	Trustworthy: precise, approved, consistent, proven, secure, reliable, safe, guaranteed, rigorous	45	11
	(Premium) quality: best, superior, ideal, excellent, unique, exceptional, luxurious, prestigious, outstanding	115	13
	Authentic: real, pure, preservation, heritage, origin, traditional, roots	70	14
	(Secure) future: health, longevity, growth, innovative, improvement, evolution, sustainable, profitable, leader	91	9
	Self-determined: pioneering, desire, powerful, passion, vision, commitment, dedication, courage, perseverance	71	10
	Word count total Switzerland:	590	
	Colours		25
	Use of red (or Swiss flag directly)		
	Imagery		
	Historic, origins, timelines		13
	Company buildings, equipment		22
	Owners, employees		17
	Landscapes		7

Figure 1. Scatterplot website analysis per company: New Zealand

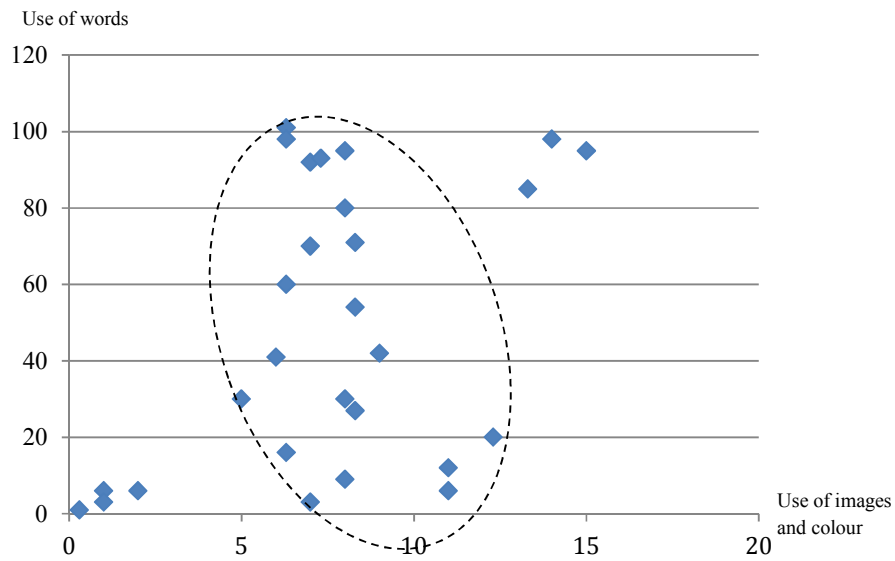


Figure 2. Scatterplot website analysis per company: Switzerland

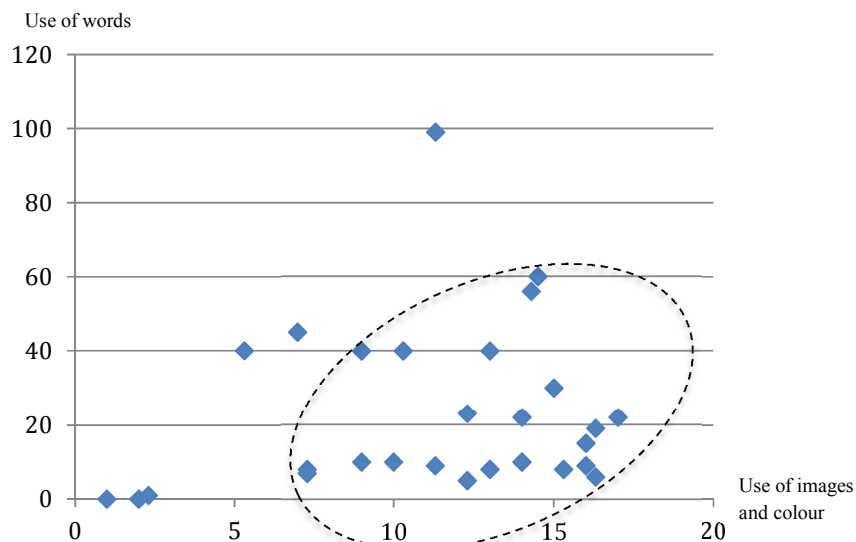


Figure 3. Company classification based on usage and adoption of country image

